



State of California
Employment Training Panel
Training Proposal for:
Brocade Communications Systems, Inc.
Agreement Number: **ET09-0248**

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **San Francisco Bay Area**

Analyst: D. Woodside

PROJECT PROFILE

Contract
Type: Priority/Retrainee

Industry
Sector(s): Manufacturing

Counties
Served: Santa Clara

Repeat
Contractor: ☐ Yes ☒ No

Union(s): ☐ Yes ☒ No

Priority
Industry: ☒ Yes ☐ No

No. Employees in CA: 1,237

No. Employees Worldwide: 2,629

Turnover Rate %	Manager/ Supervisor %
15.8%	11%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$874,800	\$0	\$874,800

In-Kind Contribution
\$1,120,000

TRAINING PLAN TABLE

Job No.	Job Description	Type of Training	Average No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Priority/Retrainee	Business Skills, Computer Skills, Continuous Improvement	900	24-200	0-10	\$972	\$14.02
				Weighted Avg: 54			

Minimum Wage by County: \$14.02 per hour for Santa Clara County.

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☐ Yes ☒ No

Other Benefits: Stock options, flexible spending account, and an education reimbursement program.

Wage Range by Occupation	
Occupation Title	Wage Range
Information Technology Staff	
Engineering Staff	
Finance/Accounting Staff	
Managers/Supervisors	
Sales/Customer Service Staff	
Operations Staff	

INTRODUCTION

In this proposal, Brocade Communications Systems, Inc. (Brocade) seeks funding for retraining as outlined below:

Founded in 1995, Brocade designs and manufactures storage networking solutions and management applications for storage area networks and file area networks. Brocade's products and services help information technology organizations manage their data assets in an efficient, cost-effective manner. In addition, Brocade assists customers in the development and delivery of data storage; server consolidation; disaster recovery and data security; and, in meeting compliance issues regarding data management. Brocade sells its products primarily through equipment manufacturers including EMC, Hewlett-Packard and IBM.

Brocade is eligible for ETP funding under Title 22, California Code of Regulations (CCR), Section 4416(i)(1) as a priority industry engaged in manufacturing. According to company representatives, the market for data center networking solutions is globally competitive and subject to rapid technological change. The training outlined in this proposal will assist this company, headquartered in San Jose, to complete a planned expansion and meet these challenges.

Green Operations

In May 2008, Brocade purchased a new property site in San Jose on which it will build a new facility to house all of its California employees. The company reports that it will invest in excess of \$249 million on this new facility, and expand considerably in size over the next five years. The new facility will include the utilization of appropriate “green building technologies” in keeping with its strategy as a manufacturer of energy-efficient products. Brocade also believes moving to the “green” way of operating will provide marketing advantages.

PROJECT DETAILS

Brocade's success depends on numerous factors, including its ability to rapidly develop and introduce the new products and services that are distinct from those of its competitors, and maintain product quality and reliability. Toward this end, Brocade is designing products that use less energy than its competitors do.

In early 2008, Brocade reorganized its company into four operating units: Data Center Infrastructure, Files, Server Edge & Storage, and Support, Services & Solutions. This reorganization should provide for a better, more efficient customer experience.

According to Brocade this reorganization will require employees to gain new skills and operate more efficiently. Thus, Brocade is requesting the Panel's assistance to provide classroom/laboratory and CBT training across occupations in new business, continuous improvement, and computer technologies as follows:

Business Skills Frontline employees across occupations and managers/supervisors will receive supplemental business skills in areas such as written and oral communication, negotiation, customer service, and computer hardware and software sales skills. The sales training is focused, new training for its sales staff. Previously, the sales staff was only trained to sell hardware. Brocade reports that it is now critical for the sales staff to be adequately skilled at selling software and technology-based services.

Computer Skills Brocade will provide computer skills across occupations in topics such as Microsoft Project, Microsoft SharePoint, computer language skills including Oracle, C++, Linux and UNIX, and project management software training for information technology staff.

Continuous Improvement Skills Brocade's workforce will receive training in continuous improvement skills such as change management, coaching/feedback, problem solving/analysis, strategic planning, team-building, and conflict management. Leadership skills training will be provided as appropriate to those serving in a team leadership and/or management/supervisory role.

Commitment to Training

Brocade represents that ETP funding will not displace its ongoing investment in the training of its workers. The company reports that it provides training in basic job skills, new employee orientation, anti-harassment, on-the-job training, personal development skills, behavioral interviewing skills, employment law and introductory and intermediate computer skills. In addition, Brocade provides highly technical skills to its engineering and information technology staff via industry and technology conferences. Brocade will invest approximately \$1,470,000 in training for 2008 in California.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal to fund retraining and foster growth in a priority industry.

DEVELOPMENT SERVICES

Brocade retained Training Funding Partners in Tustin to assist with development of this proposal for a flat fee of \$35,000.

ADMINISTRATIVE SERVICES

The company also retained Training Funding Partners to perform administrative services in connection with this proposal for a fee not to exceed 12% of payment earned.

TRAINING VENDORS

- Effective Training Associates (San Jose) for an amount to be determined for business and continuous improvement skills training;
- Decker Communications (San Francisco) for an amount to be determined for business skills training;
- Miller Heiman (San Rafael) for an amount to be determined for business skills training; and
- The TAS Group (San Jose) for an amount to be determined for business skills training.

Additional vendors may be added during the term of the Agreement.

Exhibit B: Menu Curriculum

Class/Lab Hours

24 – 200

Trainees may receive any of the following:

Business Skills

- Business Etiquette/Business Writing Skills
- Communication Skills
- Cross Functional Skills
- Customer Service Skills
- Finance/Accounting Skills
- Negotiation Skills
- Presentation Skills
- Software and Hardware Sales Skills

Computer Skills

- Microsoft Project
- Microsoft SharePoint
- Oracle
- Computer Language Skills
 - C++
 - Linux
 - Unix
- Engineering Skills
- Project Management for Information Technology Staff

Continuous Improvement Skills

- Change Management Skills
- Coaching/Feedback Skills
- Conflict Management Skills
- Leadership Skills
- Meeting Management Skills
- Problem Solving/Analysis Skills
- Business Process Improvement
- Project Management Skills
- Strategic Planning Skills/Goal Setting
- Team Building Skills
- Time Management Skills

CBT Hours

0 – 10 hours

Computer-Based Training

Trainees may receive any of the following:

Business Skills

- Communication Skills (9 hours)
- Customer Service Skills (7 hours)
- Finance/Accounting Skills (7 hours)

Computer Skills

- Internet/Network Technologies (7 hours)
- Computer Language Skills (7 hours)
 - C++
 - Linux
 - Unix
- Microsoft.NET Server (6 hours)
- Novel (6 hours)

Continuous Improvement Skills

- Defining/Implementing Business Goals and Objectives (8 hours)
- Leadership Skills (8 hours)
- Project Management Skills (7 hours)
- Team Building Skills (7 hours)
- Time Management Skills (8 hours)